

Attorney General - Department of Law

JLBC: Brian Schmitz
OSP: Monica Seymour

DESCRIPTION	FY 2003 ACTUAL	FY 2004 ESTIMATE	FY 2005	
			OSP	JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	642.5	665.5		665.5
Personal Services	29,020,100	31,082,100		31,082,100
Employee Related Expenditures	6,245,500	7,713,100		7,713,100
Professional and Outside Services	434,200	490,400		690,400
Travel - In State	177,900	208,500		208,500
Travel - Out of State	64,700	60,900		60,900
Other Operating Expenditures	6,310,200	6,839,300		6,818,800
Equipment	367,200	0		107,000
OPERATING SUBTOTAL	42,619,800	46,394,300		46,680,800
SPECIAL LINE ITEMS				
Crane Lawsuit	0	500,000		0
State Grand Jury	159,400	160,100		160,100
Victims' Rights	2,850,600	3,185,000		3,185,000
AGENCY TOTAL	45,629,800	50,239,400		50,025,900
FUND SOURCES				
General Fund	23,033,200	23,378,600		22,859,600
<u>Other Appropriated Funds</u>				
Antitrust Enforcement Revolving Fund	355,400	170,500		170,500
Collection Enforcement Revolving Fund	1,977,000	3,769,500		3,969,200
Consumer Fraud Revolving Fund	1,432,100	1,855,500		1,962,500
Interagency Service Agreements Fund	15,981,500	17,880,300		17,879,100
Victims' Rights Fund	2,850,600	3,185,000		3,185,000
SUBTOTAL - Other Appropriated Funds	22,596,600	26,860,800		27,166,300
SUBTOTAL - Appropriated Funds	45,629,800	50,239,400		50,025,900
Other Non-Appropriated Funds	10,245,900	8,659,200		8,659,200
Federal Funds	6,150,000	5,571,900		5,571,900
TOTAL - ALL SOURCES	62,025,700	64,470,500		64,257,000

CHANGE IN FUNDING SUMMARY

FY 2004 to FY 2005 JLBC

	\$ Change	% Change
General Fund	(519,000)	(2.2%)
Other Appropriated Funds	305,500	1.1%
Total Appropriated Funds	(213,500)	(0.4%)
Non Appropriated Funds	0	0.0%
Total - All Sources	(213,500)	(0.3%)

AGENCY DESCRIPTION — The Attorney General is an elected constitutional officer. The office provides legal counsel to state agencies, represents the state in juvenile dependency matters, enforces civil rights, environmental, consumer protection and anti-trust laws, and investigates and prosecutes criminal cases, handles criminal appeals, and assists county attorneys.

PERFORMANCE MEASURES	FY 2003 Appropriation	FY 2003 Actual	FY 2004 Appropriation	FY 2005 Recommend.
• Solicitor General – Number of days to respond to a request for a legal opinion	70	72	40	60
• Civil Rights – % of cases resolved using voluntary settlement agreements	30	15.5	30	13.5
• % of death penalty and/or sentences affirmed by the Arizona Supreme Court	80	0	80	75
• % of agency staff turnover	16	27	14	14
• Administrative cost as % of total cost	7.6	7.0	7.0	6.6
• Customer satisfaction rating for client agencies (Scale 1-8)	6.0	7.1	7.1	7.1

RECOMMENDED CHANGES FROM FY 2004

Operating Budget

The JLBC recommends \$46,680,800 for the operating budget in FY 2005. This amount includes \$22,699,500 from the General Fund, \$170,500 from Antitrust Enforcement Revolving Fund, \$3,969,200 from the Collection Enforcement Revolving Fund, \$1,962,500 from the Consumer Fraud Revolving Fund, and \$17,879,100 from the Interagency Service Agreements Fund. These amounts would fund the following adjustments:

Lease Costs **GF** **\$(19,000)**
OF **(1,500)**

The JLBC recommends a decrease of \$(19,000) from the General Fund for lease costs. The JLBC also recommends a decrease of \$(1,500) from Other Funds for lease costs. The Other Funds decrease includes \$(1,200) from the Interagency Service Agreements Fund and \$(300) from the Collection Enforcement Revolving Fund.

Death Penalty Appeals **OF** **200,000**

The JLBC recommends a one-time increase of \$200,000 from the Collection Enforcement Revolving Fund in the Professional and Outside Services line item to enhance the agency's ability to respond to death penalty appeals. Due to recent changes in the rule of law promulgated in *Atkins V. Virginia*, the United States Supreme Court held that the Eighth Amendment to the United States Constitution prohibits executing a convicted murderer who is mentally retarded. This decision applies proactively to anyone who has been sentenced to death. Funding for this issue will provide money for the costs associated with the expert witness and investigative services needed to defend against inmates claiming mental retardation to avoid the death penalty. (See *JLBC Recommended Statutory Changes for additional information.*)

Network Security **OF** **107,000**

The JLBC recommends a one-time equipment increase of \$107,000 from the Consumer Fraud Revolving Fund to enhance the department's computer network security. The money will enable the agency to increase its firewall

encryption level. The increased encryption level will make the agency's secure network increasingly difficult to break into.

Collection Enforcement Revolving

Fund **OF** **0**

The JLBC recommends a session law change to A.R.S. § 41-191.03 to continue the expanded use of Collection Enforcement Revolving Fund (CERF) money to allow the Attorney General to use these monies for any operating expenses incurred by the department in FY 2005. (See *JLBC Recommended Statutory Changes for more information.*)

Monies in CERF are collections on behalf of client agencies for debts owed the state. Pursuant to A.R.S. § 41-191.03, the Attorney General may retain and expend up to 35% of the monies collected on behalf of the state. Statute also requires that the monies unexpended from CERF at the end of each fiscal year be reverted to client agencies. In FY 2004, a session law statutory change expanded the uses of CERF and allowed the Attorney General to use the monies for FY 2004 operating expenses.

Special Line Items

Crane Lawsuit

The JLBC recommends no funding from the General Fund for the Crane Lawsuit Special Line Item in FY 2005. This amount includes the following adjustment:

Eliminate One-Time Funding **GF** **(500,000)**

The JLBC recommends a decrease of \$(500,000) from the General Fund to eliminate the one-time funding for the Crane Lawsuit. In September 2001, 7 school districts filed the Crane lawsuit, which claimed that the current Arizona school finance system is unconstitutional because it does not provide at-risk students with programs and funding needed in order to meet state academic standards. In November 2003, the Maricopa County Superior Court ruled in favor of the state, ending the lawsuit unless the plaintiffs decide to appeal. The Legislature made a one-time appropriation of \$500,000 in FY 2004 (Laws 2003,

Second Special Session, Chapter 4) to pay legal fees incurred by outside counsel in defending the state.

State Grand Jury

The JLBC recommends \$160,100 from the General Fund for the State Grand Jury in FY 2005. This amount is unchanged from FY 2004. This Special Line Item funds expenses incurred by the Attorney General to investigate and try matters that are under the jurisdiction of the State Grand Jury. The line item includes 1.2 General Fund FTE Positions.

Victims' Rights

The JLBC recommends \$3,185,000 from the Victims' Rights Fund for Victims' Rights in FY 2005. This amount is unchanged from FY 2004. This program provides monies to state and local agencies that are required to notify victims during various steps in the criminal justice process. The program includes 7.68% of Criminal Justice Enhancement Fund monies and an assessment on parents of juvenile offenders. The line item includes 8.8 Victims' Rights Fund FTE Positions.

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JLBC RECOMMENDED FORMAT — Operating Lump Sum with Special Line Items by Agency

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

The \$160,100 appropriated for State Grand Jury expenses is for costs incurred pursuant to A.R.S. § 21-428C. It is the intent of the Legislature that State Grand Jury expenses be limited to the amount appropriated and that a supplemental appropriation will not be provided.

The Attorney General shall notify the President of the Senate, the Speaker of the House of Representatives and the Joint Legislative Budget Committee before entering into a settlement of \$100,000 or more that will result in the receipt of monies by the Attorney General or any other person. The Attorney General shall not allocate or expend

these monies until the Joint Legislative Budget Committee reviews the allocations or expenditures. Settlements that pursuant to statute must be deposited in the state General Fund need not be reviewed by the Joint Legislative Budget Committee. This paragraph does not apply to actions under Title 13, Arizona Revised Statutes, or other criminal matters.

In addition to the \$17,879,100 appropriated from the Interagency Service Agreements Fund, an additional \$370,000 and 5 FTE Positions are appropriated from the Interagency Service Agreements Fund for new or expanded interagency service agreements. The Attorney General shall report to the Joint Legislative Budget Committee whenever an interagency service agreement is established that will require expenditures from the additional amount. The report shall include the name of the agency or entity with which the agreement is made, the dollar amount of the contract by fiscal year and the number of associated FTE Positions.

All revenues received by the Antitrust Enforcement Revolving Fund in excess of \$170,500 are appropriated. Expenditures from the fund may not exceed \$750,000 in FY 2005. Before the expenditure of any Antitrust Enforcement Revolving Fund receipts in excess of \$170,500 in FY 2005, the Attorney General shall submit the intended uses of the monies for review by the Joint Legislative Budget Committee.

JLBC RECOMMENDED STATUTORY CHANGES

The JLBC recommends a session law change to A.R.S. § 41-191.03 to continue the expanded use of Collection Enforcement Revolving Fund money to allow the Attorney General to use these monies for any operating expenses incurred by the department in FY 2005. (*See the "Collection Enforcement Revolving Fund" and "Death Penalty Appeals" policy issues for more information.*)

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Anti-Racketeering Revolving (AGA2131/A.R.S. § 13-2314.01)		Non-Appropriated
Source of Revenue: Forfeitures of property and assets to satisfy judgements pursuant to anti-racketeering statutes.		
Purpose of Fund: To investigate and prosecute any offense defined as racketeering pursuant to Arizona statutes.		
Funds Expended	3,163,200	3,581,800
Year-End Fund Balance	9,684,900	9,446,600

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Antitrust Enforcement Revolving (AGA2016/A.R.S. § 41-191.02)		Appropriated
Source of Revenue: Monies recovered for the state as a result of antitrust, restraint of trade or price-fixing activity enforcement.		
Purpose of Fund: For antitrust enforcement expenses, excluding attorney compensation.		
Funds Expended	355,400	170,500
Year-End Fund Balance	493,300	310,000
Attorney General Expendable Trust (AGA3102/A.R.S. § 35-149)		Non-Appropriated
Source of Revenue: Restricted donations and gifts from individuals and corporations.		
Purpose of Fund: For purposes specified by donors or grantors.		
Funds Expended	400	600
Year-End Fund Balance	3,300	2,700
CJEF Distribution to County Attorneys (AGA2068/A.R.S. § 41-2401)		Non-Appropriated
Source of Revenue: 9.35% of the Criminal Justice Enhancement Fund (CJEF) monies. CJEF consists of a 47% penalty assessment on fines, violations, forfeitures, and penalties imposed by the courts for criminal offenses and civil motor vehicle statute violations.		
Purpose of Fund: To enhance prosecutorial efforts of county attorneys.		
Funds Expended	3,133,100	3,133,100
Year-End Fund Balance	0	0
Collection Enforcement Revolving (AGA2132/A.R.S. § 41-191.03)		Appropriated
Source of Revenue: The fund receives 35% of monies recovered by the Attorney General from debts owed to the state.		
Purpose of Fund: For expenses related to debt collection owed to the state, including reimbursement of other accounts within the department.		
Funds Expended	1,977,000	3,769,500
Year-End Fund Balance	2,655,000	100
Colorado River Land Claims Revolving (AGA2430/A.R.S. § 41-191.05)		Non-Appropriated
Source of Revenue: Receives 25% of monies recovered by the state from the settlement of the state of Arizona's sovereign land claims.		
Purpose of Fund: To pay ownership claims near the Colorado River.		
Funds Expended	0	10,000
Year-End Fund Balance	20,100	20,100
Consumer Fraud Revolving (AGA2014/A.R.S. § 44-1531.01)		Appropriated
Source of Revenue: Any monies recovered for the state from investigative or court costs, attorney fees or civil penalties pertaining to consumer protection or consumer fraud.		
Purpose of Fund: For consumer fraud education and for investigative and enforcement operations of the Consumer Protection Division, excluding attorney compensation.		
Funds Expended	1,432,100	1,855,500
Year-End Fund Balance	1,529,700	2,187,400
Court-Ordered Trust (AGA3180/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Court-ordered deposits held in trust for parties to lawsuits.		
Purpose of Fund: To assure funds are available to pay judgements. Future payments are dependent on case settlements.		
Funds Expended	2,427,200	692,400
Year-End Fund Balance	967,000	896,300
Criminal Case Processing (AGA2461/A.R.S. § 41-2421)		Non-Appropriated
Source of Revenue: A portion of redirected court collections and 0.35% of the surcharge on criminal, motor vehicle, and game and fish statute violations.		
Purpose of Fund: For the processing of criminal cases.		
Funds Expended	30,900	45,800
Year-End Fund Balance	64,800	57,000

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Federal (AGA2117/A.R.S. § 41-101.01)		Non-Appropriated
Source of Revenue: Federal grants for various purposes.		
Purpose of Fund: To be used in accordance with the terms of the individual grants, including drug enforcement, fraud and patient abuse (AHCCCS-related), civil rights enforcement, fair housing education and outreach, and hazardous waste.		
Funds Expended	6,150,000	5,571,900
Year-End Fund Balance	1,031,500	1,331,700
Interagency Service Agreements (AGA2157/A.R.S. § 41-192)		Appropriated
Source of Revenue: Any monies received by the Attorney General from charges to state agencies for legal services related to interagency service agreements.		
Purpose of Fund: To provide contracted legal services to state agencies and political subdivisions.		
Funds Expended	15,981,500	17,880,300
Year-End Fund Balance	778,700	0
Intergovernmental Agreements (AGA2500/A.R.S. § 35-142E)		Non-Appropriated
Source of Revenue: Any monies received from state agencies for specialized projects.		
Purpose of Fund: For costs associated with approved projects.		
Funds Expended	255,400	24,000
Year-End Fund Balance	17,500	9,000
Motor Carrier Safety Revolving (AGA2380/A.R.S. § 28-5203)		Non-Appropriated
Source of Revenue: A grant from the Arizona Department of Transportation.		
Purpose of Fund: To carry out the provisions of the chapter and enforce civil penalties. The fund is exempt from A.R.S. § 35-190, relating to the lapsing of appropriations.		
Funds Expended	800	0
Year-End Fund Balance	4,100	4,100
Prosecuting Attorneys' Advisory Council Training (AGA2057/A.R.S. § 41-1830.03;41-2401)		Non-Appropriated
Source of Revenue: 3.03% of Criminal Justice Enhancement Fund monies.		
Purpose of Fund: For costs of training, technical assistance for prosecuting attorneys of the state and any political subdivision, and expenses for the operation of the council.		
Funds Expended	1,014,600	1,015,000
Year-End Fund Balance	1,017,700	1,009,700
Street Gang Enforcement Revolving (AGA1022/A.R.S. § 41-191.07)		Non-Appropriated
Source of Revenue: A grant from the Arizona Criminal Justice Commission.		
Purpose of Fund: For gang prevention programs, training prosecutors and law enforcement personnel in the area of street gang prosecution and enforcement, and investigating and prosecuting any offense that is concurrently charged or investigated with any offense relating to criminal street gangs.		
Funds Expended	168,900	105,100
Year-End Fund Balance	5,400	0
Victims' Rights (AGA3215/A.R.S. § 41-191.08)		Appropriated
Source of Revenue: 7.68% of monies collected by the Criminal Justice Enhancement Fund and an assessment on parents of juvenile offenders.		
Purpose of Fund: For states and local entities that provide victims' rights services and assistance.		
Funds Expended	2,850,600	3,185,000
Year-End Fund Balance	1,090,600	321,600

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Victim Witness (AGA2228/A.R.S. § 41-2407)		Non-Appropriated
Source of Revenue: Grants from the Victim Compensation and Assistance Fund and the Victims of Crime Act Fund.		
Purpose of Fund: To assist crime victims and surviving family members who are involved in felony cases and appellate matters.		
Funds Expended	51,400	51,400
Year-End Fund Balance	0	0

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